

## POST 2006 INITIATIVE

### PROGRESS REPORT

WORKING GROUP: Energy Assistance

DATE: 7/09/04

LOCATION: ICC Chicago with phone hook-up to ICC Springfield

#### I ATTENDEES:

Representatives of ICC, IEA, Ameren, Commonwealth Edison, Nicor, Peoples, Illinois Power, Mt. Carmel, MidAmerican Energy, Cook County States Attorney, IL Attorney General (AG), IL Public Aid (PA), IL Natural Resources (DNR), IL Dept of Commerce & Economic Opportunity (DCEO), IL Industrial Electric Consumers (IIEC), Illinois Municipal Electric Agency (IMEA), Giordano/Trizac et al, Constellation New Energy, IL Community Action Assn, Community Energy Cooperative & Low Income Advocacy Project attended, twenty in person and five by phone hookup to ICC's Springfield office. A complete log is available from Conveners if desired.

#### II a ISSUES DISCUSSED FROM FINAL ISSUES LIST

Issue 90 – How should state energy assistance programs be provided for low-income customers who cannot afford to pay just and reasonable rates? Two additional topics on this issue were examined:

- Codification of special reconnection arrangements. Joan Howard of ICC staff provided a handout containing the current Administrative Code and statutory rules regarding reconnection. Reference was also made to reconnection provisions contained in Senate Bill 3124 and the special reconnection agreement from last fall that was described at the time in a news release from the Lt. Governor's Office. Both documents will be provided at the next working group meeting.
- Year-round energy assistance program. Rick Fiddymment and David Baker of the Department of Natural Resources presented the preliminary results of their research into the costs of having a year-round heating energy assistance program. At the request of the working group, Rick and David will do further research regarding various year-round heating and/or cooling energy assistance scenarios and present same at a future working group meeting. John Colgan also agreed to arrange for a representative of the Ohio Home Energy Assistance Program (HEAP) to make a presentation to the working group regarding that state's percentage-of-income program.

Issue 91 – Is the current surcharge level adequate for energy assistance?

- The co-conveners asked if there was consensus within the group that the current surcharge (in effect through 2007) should at the least be maintained. While there was general support for such a position there was not complete unanimity. The co-conveners mentioned that the definition of "consensus" for purposes of the Post 2006 Initiative was still being refined but that the current indication was that consensus could be determined on less than a unanimous basis with the concurrent ability to file minority reports or statements. The working group then briefly discussed other possible options regarding the current surcharge level, including practices used in Ohio and New Jersey.

Issue 92 – Are there other regulatory and/or legislative mechanisms that should be considered?

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- The co-conveners stated their views that much of the discussion on this question had already occurred during examination of the previous two Final Questions. Participants agreed and this Issue will be closed with the understanding that 90 & 91 cover the same issue.

#### Possible Additional Issues –

- The working group took up additional questions that had been posed by the co-conveners:
  - “What, if any, will be the effect on state energy assistance programs of the method or methods of procuring power used in the Post 2006 energy environment?” The co-conveners provided some background information on the auction and request-for-proposals (RFP) power procurement processes. Sheila Owens agreed to provide more detailed information regarding how the New Jersey auction process and the Maryland RFP process deal with energy assistance issues.
  - “Possible energy assistance program changes that might be needed if alternative retail electric suppliers (ARES) were involved in supplying electricity to LIHEAP customers”? Representatives of natural gas utilities Peoples Energy and Nicor related their experiences in this type of customer choice environment in their own industry, with general understanding that LIHEAP funds are distributed through the delivery utility and some allocated to the supplier. Department of Public Aid participants indicated their “new system” would allow split payments to both.

#### II b OTHER ISSUES DISCUSSED

- Anti-trust guidelines in effect for the meeting were referenced.
- Reviewed Progress Report from June 25 meeting with one modification proposed by Allen Cherry re the discussion of “adequacy” of the current surcharge. Revised Report is issued.
- Process Issues. The co-conveners reiterated the working group’s charge to attempt to reach consensus on as many items as possible and to at least identify the competing options or choices in those areas where the group cannot reach consensus. The working group also discussed how to proceed in terms of preparing a final work product and one possibility in that regard was preparation of a draft or “strawman” report by the co-conveners and/or working group members.
- Reviewed dates for remaining meetings, all on Fridays in the ICC main hearing room in Chicago (except for 7/16), from 11 am – 1 pm to allow train travel.
  - July 16 – Bloomington – Nicor
  - July 30 – Chicago
  - August 6 – Chicago
  - Possible other August Meetings might be needed

#### III PRESENTERS - None

#### IV PRESENTATION SUMMARIES - None

#### V CONCLUSIONS REACHED

ISSUE: Final Issues List Item # 92 is duplicative of issues considered in Items # 90 & 91 and will not be considered separately.

#### VI COMMENTS – None

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#### VII TOPICS FOR NEXT MEETING

Review follow-up discussion items on Issues 90 & 91. Begin Issue 93 “Is there a role for economic development ‘rates’ in a post-transition marketplace? If so, should tariffed non-competitive energy services offered by utilities be the vehicle or can the State implement economic development programs through the competitive sector as well?”

#### VIII TIME AND LOCATION OF NEXT MEETING

Friday, July 16 at NICOR’s Bloomington office from 11:00 am – 1:00 pm. Phone bridge arrangements will be explored, but are not guaranteed. Office is at 135 Dr. Martin Luther King Drive and driving directions will be sent to the Stakeholder Leads list.

Jim Monk/Jon Carls, Co-Conveners